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Chairman: Mr. Mańczyk (Vice-Chairman) (Poland)
later: Mr. Ashe (Chairman) (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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In the absence of Mr. Ashe (Antigua and Barbuda), Mr. Mańczyk (Poland), Vice-Chairman, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 145: Financing of the United Nations Stabilization Mission in Haiti *(continued)* (A/60/646, A/60/728 and A/60/869)

1. **Mr. Tarrisse da Fontoura** (Brazil) endorsed the statement made at the Committee's preceding meeting by the representative of the Bahamas on behalf of the Caribbean Community (CARICOM).

2. The United Nations Stabilization Mission in Haiti (MINUSTAH) must be given adequate financial resources to fulfil its mandate and, consequently, the Secretariat should provide a detailed assessment of the possible impact of the proposal of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to reduce its budget.

3. He welcomed the Mission's continued efforts to review its staffing requirements in order to ensure a greater proportion of national staff, since the increased participation of Haitians fostered a feeling of national ownership and enhanced the Mission's chances of success. National ownership was key to achieving the effective and sustainable rule of law, which, in turn, would lead to a genuine process of national reconciliation.

4. He reiterated his strong support for the effective implementation of quick-impact projects, which were crucial to the success of peacekeeping missions and enhanced the image of the United Nations at the country level. Accordingly, Brazil did not support the Advisory Committee's proposal to reduce the overall amount allocated to quick-impact projects for the period 2006/07. In Haiti, as in other countries, such projects helped to create jobs and improve the overall living conditions of the population, and 140 of them had been planned for the period 2006/07. Every effort should be made to identify implementing partners for the projects, including at the local level, and the projects should be in harmony with the activities of other development or humanitarian assistance entities in the Mission area.

5. Furthermore, time limits for quick-impact projects were merely indicative; such projects should continue to be implemented for as long as the situation on the ground warranted them. In that connection, it could be argued that the extension of a mission's mandate also implied an extension of the two-year limit referred to in paragraph 62 of the Advisory Committee's report.

6. With regard to disarmament, demobilization and reintegration, he would be grateful for further details about the use of outside consultancy services. He would also like to obtain additional information about the request for the establishment of one P-3 Administrative Officer post in the Office of the Special Representative of the Secretary-General.

7. The success of the recent elections in Haiti was not an end in itself, but rather marked the beginning of a new phase of social and economic development. There could be no military solution to the crisis in Haiti; it was of paramount importance to tackle the root causes of the conflicts. Brazil had therefore welcomed the opportunity to host the High-level International Meeting on Haiti, which had taken place in Brasilia on 23 May 2006.

8. **Mr. Talbot** (Guyana), speaking on behalf of the Rio Group, said that with the successful conduct of democratic national and parliamentary elections and the inauguration of its new President, Haiti had taken another step towards social and economic recovery. However, maintaining a stable atmosphere and restoring peace and security remained prerequisites for further progress.

9. The Rio Group commended the Haitian people for their commitment to the political process and underscored the essential role played by international and regional organizations, including the Organization of American States (OAS) and the United Nations. The backing of the international donor community would be vital during the forthcoming consolidation period and he therefore urged all interested parties to honour their commitments. The outcome of the recent High-level International Meeting on Haiti had been an encouraging development in that regard.

10. MINUSTAH, which had played a significant role in creating the conditions necessary for the successful conduct of the elections, would have different priorities during the reconstruction phase. During that period, it was important to pursue efforts to strengthen Haiti's democratic institutions, including through the timely holding of municipal and local elections. Although MINUSTAH had contributed to improving the security

situation on the ground, further improvements were difficult to achieve. It would be necessary to continue deploying United Nations forces until the national police were able to deal satisfactorily with the problem, and he was therefore pleased that the Security Council had decided to extend the Mission's mandate.

11. Consideration must be given to how the mandate of MINUSTAH could be adjusted to focus on the development and democratization processes in Haiti, in accordance with the priorities set out by the new Government. In that regard, the Rio Group welcomed the Secretary-General's decision to send a mission to Haiti to discuss the development of the mandate with the national authorities. The Group took the view that the mandate should be expanded to include a stronger humanitarian and development component that would bolster its credibility among Haitians.

12. He was concerned about the 5-per-cent reduction in the proposed budget for the period 2006/07 and about the potential impact of the additional reductions proposed by the Advisory Committee. However, he agreed with the Advisory Committee that there had been an overall improvement in the presentation of the budget and commended MINUSTAH for having been able to abolish many posts without detriment to the implementation of its mandate. The Rio Group also supported the strengthening of the public information component of the Mission.

13. While the recruitment of national staff as interpreters was a welcome development, more information should be provided about the use of consultancy services for disarmament, demobilization and reintegration activities. He echoed the concerns expressed by the representative of Brazil regarding the reduction of resources for quick-impact projects. The Rio Group would be very reluctant to endorse that course of action.

14. In conclusion, he said that the international community had a fresh opportunity to promote the continued development of Haiti by providing valuable post-election support. MINUSTAH had a vital role to play in that regard and he urged all troop and police contributors to remain engaged in the process.

Mr. Ashe (Antigua and Barbuda) took the Chair.

15. **Mr. Torres Lépori** (Argentina) endorsed the statements made by the representatives of Brazil and the Bahamas and welcomed the substantial improvements made to the presentation of the proposed budget for MINUSTAH. He had always believed that there could be no lasting security in Haiti without sustainable development and, accordingly, attached particular importance to the strengthening of quick-impact projects and disarmament, demobilization and reintegration activities. In that connection, the Secretariat should share its views on the proposed reduction of the resources allocated to quick-impact projects and the new approach to the disarmament, demobilization and reintegration programme.

16. **Mr. Déjoie** (Haiti) expressed his gratitude to the Fifth Committee for its continuing defence of the Haitian cause and for its understanding and patience. With the support of MINUSTAH and the wider international community, democracy had been restored to Haiti following the successful conduct of the recent presidential and parliamentary elections. On 14 May 2006, the new President had been sworn in before Parliament and on 9 June 2006 the members of the new Government had taken office.

17. Haiti's return to the international arena would be confirmed by President Préval's participation in the forthcoming twenty-seventh regular meeting of the Conference of Heads of Government of CARICOM. In that connection, he expressed gratitude for the ongoing support of the Caribbean Community and the Rio Group. Indeed, from the outset, all the regional groups represented within the United Nations had participated actively in efforts to defuse the Haitian crisis, thereby demonstrating that mutual understanding and well-coordinated, non-discriminatory international assistance could contribute to the promotion of peace and security at both the regional and global levels.

18. With regard to the reports before the Committee, he would be grateful for additional information about the progress of the disarmament, demobilization and reintegration programme, since reports from Port-au-Prince indicated that illegal armed groups remained active and that the number of kidnappings had increased. He thanked those Member States that had contributed troops to MINUSTAH and urged others to do likewise. More emphasis should be placed on the deployment of French-speaking troops and on building national capacity, in order to eliminate the language barrier and facilitate the task of peacekeeping.

19. **Ms. Udo** (Nigeria) endorsed the comments made by the previous speakers and by the representative of

the Bahamas. She welcomed the opportunity to consider the proposed budget for MINUSTAH, the presentation of which had improved considerably, and hoped that the Committee would approve it expeditiously.

20. Quick-impact projects were particularly important, since they drew the attention of the general public to the work of the United Nations, and her delegation took the view that such projects should be strengthened in Haiti. The Mission's efforts to increase the participation of Haitians in its work were commendable because they helped to build capacity and enhance the perception of national ownership.

21. **Ms. Lock** (South Africa) said that her delegation associated itself with the statements made by the representatives of the Bahamas and Guyana on behalf of CARICOM and the Rio Group, respectively. It also associated itself with most of the comments made by the delegations of Brazil, Argentina and Haiti. Her delegation supported United Nations peacekeeping activities in Haiti. The international community must remain fully engaged in the efforts to resolve the conflict and ensure a lasting peace. Development and reconstruction efforts must also be intensified, as there could be no lasting peace without development.

22. Her delegation was encouraged by the concrete measures undertaken by MINUSTAH to ensure the implementation of General Assembly resolution 59/296, as applicable, and by the efforts to implement the recommendations of the Board of Auditors and the Advisory Committee, as adopted by the General Assembly.

23. Each peacekeeping operation was unique and should be treated as such. That view would continue to guide her delegation's engagement with other Member States in any future resolutions that addressed broad policy matters of a cross-cutting nature. Her delegation reiterated its caution against attempts to use cross-cutting resolutions to reduce resource allocations to peacekeeping operations, especially when the impact of such a reduction on a specific operation was unclear. The resource requirements of each operation should be addressed in the context of the appropriation resolutions.

24. In conclusion, her delegation stressed its full support for the continuation of quick-impact projects beyond the two-year framework, in particular where the situation on the ground and changes in mandates might necessitate those projects. Her delegation would not support any reductions in resources for quick-impact projects for 2007/08. Lastly, an indication was needed on the possible impact that the recommendations of the Advisory Committee might have on MINUSTAH.

25. **Ms. Pollard** (Director of the Peacekeeping Financing Division) thanked the Committee for its interest in MINUSTAH and, in particular, for its positive feedback regarding the presentation of the proposed budget. She had taken note of the questions posed and would address them in detail during informal consultations.

Agenda item 151: Financing of the United Nations Mission in the Sudan (*continued*) (A/60/626, A/60/726 and Corr.1 and A/60/868)

26. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that the Committee had had the first opportunity to consider a full budget for the United Nations Mission in the Sudan (UNMIS) in November 2005. She drew attention to General Assembly resolution 60/122, which, inter alia, requested the Secretary-General to further elaborate on management efficiencies achieved, as well as on the strengthened monitoring and accountability system. It also called on the Secretary-General to ensure the coordination and collaboration of efforts with the agencies, funds and programmes and to provide a clear description of respective roles and responsibilities in future budget submissions. The resolution had also mandated the Secretary-General to undertake disarmament, demobilization and reintegration activities and welcomed the use of the Entebbe installation to enhance the efficiency and responsiveness of logistical support operations for peacekeeping missions in the region.

27. As the budget for UNMIS for the period from 1 July 2006 to 30 June 2007 had been prepared only three months after the adoption of the resolution, it was too early for the Secretariat to provide the kind of comprehensive report that Member States had requested. Nevertheless, her delegation would like to receive an initial assessment of the extent to which the Assembly's guidelines could be implemented, including any initial difficulties encountered, and to be kept fully informed of developments in the Mission in subsequent reports.

28. The African Group paid tribute to all those who had contributed to the success of the African Union-led Inter-Sudanese Peace Talks, which had provided a framework for resolving the conflict in Darfur. Her delegation noted with satisfaction that the Security Council, in its resolution 1679 (2006), had commended the efforts of the African Union for the successful deployment of the African Union Mission in the Sudan (AMIS) and those of Member States and regional and international organizations to assist AMIS in its deployment. The continued support of Member States was crucial for the success of the Mission. The Group was pleased to note that factions that had not signed the Darfur Peace Agreement in May 2006 had subsequently pledged to abide by its principles. The Mission must seize the opportunity to help the people of the Sudan to rebuild their country.

29. The Group welcomed the remarkable progress recorded in the presentation of the current budget. The results-based budgeting framework should be enhanced to further reflect lessons learned from the current budget process. The unencumbered balance of the previous period was only about $3.2 million, or 1.4 per cent of the appropriation, which showed that there had been no overbudgeting. An update was needed, however, on the status of reimbursements to Member States for troops and contingent-owned equipment.

30. Aware that the African Union and the Security Council had recognized the need to begin the transition from AMIS to a United Nations operation and that the costs for the financing of UNMIS for July 2006 to June 2007 might have to be reviewed, the African Group supported the Advisory Committee's call for the prompt submission of any revised estimates to the General Assembly. Meanwhile, her delegation would welcome a preliminary analysis of the impact of the Advisory Committee's recommendations on the budget proposal already submitted.

31. Given the urgent need to ensure that the Mission proceeded with full deployment without impediment, she asked what efforts would be made to fill all posts promptly, including national posts. In the light of the challenges posed by the sheer size of the territory covered by the Mission, she requested further information on efforts to streamline the Mission and reduce duplication.

32. The Group underscored the need to make adequate provision for the security and safety of staff and property. Despite the apparent increase in the number of posts proposed under the security component, the Group wished to receive assurances that those concerns had been properly factored into the current budget proposal. Further explanation was needed on how that component might be reconfigured in the light of the Advisory Committee's recommendation against the addition of a Deputy Force Commander post.

33. With respect to the Mission's disarmament, demobilization and reintegration activities for 2006/07, the requested amount of $49,775,000 ($550 per person), though significant, was commensurate with the Mission's mandate. The Group noted with satisfaction the establishment of a United Nations Disarmament, Demobilization and Reintegration Unit to coordinate support for the Government through the North and South Sudan Disarmament, Demobilization and Reintegration Commissions, and wished to be kept updated on its progress. The Group also asked whether the Mission was carrying out its mandated demining activities in collaboration with the United Nations Office for Project Services.

34. The Group would appreciate receiving assurances that the quick-impact projects would proceed as planned for 2006/07; a comprehensive assessment of their impact should be included in the 2007/08 budget submission. It also wished to receive further information on the implementation and impact of the National United Nations Volunteers programme. The Group supported all efforts to build the capacities of the local population. Lastly, the Group requested an update on the challenges of air and river transportation faced by the Mission, and asked whether there were any plans for cost-sharing arrangements with other United Nations agencies concerning air assets.

35. **Mr. Ali** (Sudan) said that his Government was working constructively with UNMIS to implement the Comprehensive Peace Agreement of 9 January 2005, which had paved the way for peace, stability and prosperity. His Government welcomed the Secretary-General's budget request for UNMIS for the period from 1 July 2006 to 30 June 2007 (A/60/726) and appreciated the Mission's efforts to discharge its mandate in accordance with Security Council resolution 1590 (2005). Given the scope of UNMIS, there was a need for a strengthened accountability

system to achieve the objectives of the Mission in a transparent manner. His delegation welcomed the report of the Advisory Committee on the proposed budget for UNMIS (A/60/868), in particular paragraph 26, in which the Advisory Committee encouraged efforts to obtain the resources required for the funding of the 2006 workplan.

36. The Mission should seek to employ as many national staff as possible to contribute to capacity-building and the transfer of skills to the local population. It was also important to build confidence between the Mission and the local population. Effective coordination was needed between his Government and the many agencies, funds and programmes working in the Sudan, particularly with respect to quick-impact projects, mine action and disarmament, demobilization and reintegration activities. Non-governmental organizations and national organizations should also be involved in those efforts. More resources were needed, however, for humanitarian and development assistance.

37. His Government was making efforts to encourage factions that had not yet done so to sign the Darfur Peace Agreement. The joint African Union and United Nations technical assessment mission called for under Security Council resolution 1679 (2006) was continuing to operate. The time was not yet ripe to discuss a new framework for the work of the Mission or the resources required for a mandate which had not yet been determined by the competent United Nations authorities. Lastly, his delegation was grateful for the endeavours of the United Nations in the Sudan.

38. **Ms. Wang** Xinxia (China) said that her delegation generally agreed with the comprehensive analysis and recommendations of the Advisory Committee on the proposed UNMIS budget. United Nations peacekeeping operations played an increasingly important role in the maintenance of international peace and regional stability. Her Government firmly supported those operations, including the ones in Africa. Her delegation hoped that UNMIS would continue to play an active part in implementing the Comprehensive Peace Agreement, stabilizing the situation on the ground and assisting in post-conflict reconstruction. It requested the Secretariat to implement the budget rigorously and carry out internal oversight scrupulously to optimize the use of the resources contributed by Member States for the effective implementation of the UNMIS mandate.

39. **Ms. Lock** (South Africa) said that her delegation associated itself with most of the comments made by the representatives of China, the Sudan and Australia (also on behalf of Canada and New Zealand). Her delegation supported United Nations peacekeeping activities in the Sudan. Her delegation also supported the decision by the Peace and Security Council of the African Union to advance the transition from the African Union Mission in the Sudan to a United Nations peacekeeping operation. The General Assembly should stand ready to take immediate action on the related resource requirements once the transition had been formalized.

40. Her delegation was encouraged by the concrete measures that UNMIS had undertaken to ensure the implementation of General Assembly resolution 59/296 and by the efforts to implement the recommendations of the Board of Auditors and the Advisory Committee, as adopted by the General Assembly.

41. In conclusion, her delegation stressed its full support for the continuation of quick-impact projects beyond the two-year framework, in particular where the situation on the ground and changes in mandates might necessitate those projects. Lastly, an indication was needed on the possible impact that the recommendations of the Advisory Committee might have on UNMIS.

42. **Mr. Mumbey-Wafula** (Uganda) said that the statement made by the representative of the Sudan had touched on core issues on which the Committee should focus. UNMIS was of particular importance to his delegation. Any progress made in the implementation of the Comprehensive Peace Agreement would improve the security situation in both southern Sudan and northern Uganda by denying negative forces an area of operation. His delegation commended the efforts of all those who had been involved in the Inter-Sudanese Peace talks, which had led to progress and the signing of agreements to ensure the return of peace and tranquillity to the whole of southern Sudan and Darfur.

43. His Government was constructively engaged with the United Nations and the countries concerned in eliminating the negative forces operating in northern Uganda, southern Sudan and the Democratic Republic of the Congo. His delegation had endorsed the proposal

for the Secretary-General to appoint a regional envoy to address that concern, among others. The total elimination of negative forces operating in the region, such as the Lord's Resistance Army, would help to create a safe environment for the implementation of the mandate of UNMIS.

44. His Government therefore underlined its support for the budget proposal of the Secretary-General. Lastly, it reiterated its commitment to facilitating the establishment of a joint logistics base in Entebbe to ensure effective air and road services to UNMIS and Darfur in support of United Nations efforts towards stability and peace.

45. **Mr. Tarrisse da Fontoura** (Brazil) said that his delegation fully supported the statement made by the representative of Nigeria on behalf of the African Group. UNMIS had been entrusted with the very difficult and important mandate of supporting the peace process in the Sudan. The Mission must be provided with the resources it needed to adequately fulfil its mandate. A peaceful settlement of the Sudanese conflict would be a positive step for all of Africa. Therefore, his Government was contributing military observers and police advisers to the Mission.

46. His Government supported the efforts of the parties to the conflict to reach a peaceful solution, as specified in the Comprehensive Peace Agreement. It remained concerned, however, at the slow pace of implementation of the Agreement. It was equally alarmed by the resurgence of violence in Darfur and problems on the Chadian border. His Government therefore urged all parties to engage constructively in negotiations and abide by their commitments. It noted with satisfaction that some factions that had not signed the Darfur Peace Agreement had recently decided to abide by its principles.

47. His delegation would like more specific information on the impact of the budget reduction recommended by the Advisory Committee on the operational capacity of the Mission. In particular, the establishment of a post of Deputy Force Commander could be of great importance for UNMIS, given its complex tasks and broad area of operation. His delegation noted that the findings of the technical assessment team sent to Darfur might result in a review of the financing of UNMIS for 2006/07. Lastly, his Government would continue to contribute to UNMIS, as the Mission was essential for ensuring peace in the Sudan and development throughout Africa.

48. **Mr. Torres Lépori** (Argentina) said that his delegation shared many of the concerns expressed by the representative of Nigeria on behalf of the African Group. The success of UNMIS was crucial for the stability of the entire region. His delegation stressed, in particular, the importance of disarmament, demobilization and reintegration activities and quick-impact projects for the stability of the country and for the future of the Mission.

49. **Mr. Kozaki** (Japan) said that his delegation would not make a political statement on the issue at hand, but would be raising some technical issues in informal consultations.

50. **Ms. Pollard** (Director of the Peacekeeping Financing Division) said that the proposed resources for UNMIS for 2006/07 were limited to activities mandated by Security Council resolution 1590 (2005). No resources were being proposed at the current stage to prepare for any potential expansion of the Mission. Once the Security Council approved a formal mandate, the Secretariat and the Mission would ensure that requests for any additional resources that might be required would be prepared as expeditiously as possible and submitted to the Committee for approval through the Advisory Committee.

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations *(continued)* (A/60/681 and Corr.1 and Add.1, A/60/682, A/60/699, A/60/700, A/60/711, A/60/713, A/60/715, A/60/717, A/60/720 and Add.1, A/60/727, A/60/787, A/60/807 and A/60/856)

51. **Mr. Aljunied** (Singapore) said that his delegation had a number of comments to make concerning the additional information submitted at the Committee's 56th meeting, on 1 June 2006, in response to questions raised by delegations regarding the Organization's fact-finding into allegations of procurement irregularities.

52. With regard to the review of the internal controls of the Procurement Service conducted by Deloitte Consulting LLP, he asked why the recommendations deemed to require immediate attention, on which follow-up action had already been taken by the Secretariat, had not been referred to the Committee's attention as a matter of priority. Was the Secretariat seeking the Committee's endorsement of its actions

after the fact? His delegation still wished to know which Secretariat official had commissioned the review, which had cost approximately half a million dollars. Given the need for accountability, it was not sufficient simply to state that all such studies were commissioned under the authority of the Secretary-General.

53. It was still not clear why the internal controls review could not have been undertaken by the Office of Internal Oversight Services (OIOS) or the Board of Auditors. Was the Secretariat suggesting that neither OIOS nor the Board was competent to conduct such a study? If that was the case, he would appreciate clarification. The Secretariat should also indicate whether all such studies would henceforth be conducted by external consultants, whether it planned to use so-called *in-house* firm studies to challenge the findings of OIOS and the Board, and, if so, how that would affect the role of those bodies. In that connection, he noted that the commissioning of audit investigations by the Secretariat into matters within its purview raised serious conflict-of-interest issues.

54. He understood that the Deloitte report would provide the basis for the comprehensive procurement report to be submitted to the General Assembly. Moreover, the Secretariat appeared to be using the report as a reference point on procurement issues. However, until Member States had discussed and evaluated the report's findings, the Secretariat should refrain from quoting or referring to it.

55. While it might not be established practice to request all parties to comment on draft consultants' reports, it would have been prudent to share the Deloitte report with senior managers or former senior managers, so as to ensure that it contained no factual or contextual errors. The comments on the report by the Department of Management, which, he noted, had been provided to Deloitte, should also be made available to the Committee.

56. As to the findings of the review, it was hard to believe the assertion that United Nations staff members constituted the only internal control in the Procurement Service. He asked whether other systemic or technical controls were in place to prevent fraud and, if not, how the National Institute of Governmental Purchasing (NIGP) could have concluded that United Nations procurement was consistent with public procurement elsewhere. The Secretariat's explanation — that neither the Institute, nor indeed OIOS, had examined internal controls — was not satisfactory. In fact, the Under-Secretary-General for Internal Oversight Services had stated that all audit assignments included an assessment of internal controls in the area being audited, which again raised the question of why the Deloitte review could not have been conducted by OIOS.

57. The link between the findings of the Independent Inquiry Committee and the cases of the eight staff members currently under investigation was tenuous. In order to substantiate that link, the Secretariat had referred in its responses to various irregularities identified in the Committee's interim report. However, the transactions in question had been conducted under the auspices of the Security Council and the Steering Committee on the Implementation of Security Council Resolution 986 (1995). He noted by way of example the flawed selection of the oil-for-food programme's three major contractors. According to the interim report, those contractors had been selected either with the acquiescence of the Steering Committee or following a competitive bidding process which it had prejudiced or pre-empted. Moreover, decision makers had been influenced by a need to accommodate the political concerns of some Member States, including, in one case, the United States of America, and formal financial regulations and rules set out by procurement officials had been repeatedly and knowingly short-circuited and violated. The procurement officials themselves could hardly be held responsible, since they had been acting under the direction of the Steering Committee, yet the report was being used selectively to implicate them.

58. Contrary to the Secretariat's assertion, it was not the Independent Inquiry Committee's report that had prompted the investigation into Mr. Alexander Yakovlev, a senior United Nations procurement officer, but the revelation in July 2005 of his son's internship with a vendor. The Secretariat should check its facts, as the provision to the Committee of inaccurate and misleading information was not helpful.

59. The Secretariat claimed that no staff member had been blamed or disciplined in connection with the procurement irregularities uncovered and that the determination of responsibility would have to await the outcome of the ongoing investigations. However, the placing of eight staff members on administrative leave had created the appearance of wrongdoing, and each

passing week tarnished their reputations still further. The situation had been aggravated by the public comments of the Under-Secretary-General for Management, who had suggested that corruption was pervasive at the United Nations, and by the leaking to the press of the draft OIOS report, containing the names of the eight staff members.

60. The assertion in the draft OIOS report that the Assistant Secretary-General for Central Support Services had failed to record negotiations concerning letters of assist was a blatant error. Clearly, OIOS was unaware that such negotiations were conducted exclusively by the Department of Peacekeeping Operations, without any involvement by the Office of Central Support Services.

61. As indicated in the additional information provided by the Secretariat, the Department of Management and Member States shared responsibility for the understaffing of the Procurement Service. It was therefore not clear to his delegation why the corresponding audit observation (A/46/717, paras. 20 and 21) implied that the Procurement Service itself was to blame.

62. Questions had been raised concerning the conduct of the comprehensive management audit of the Department of Peacekeeping Operations. In its written responses, OIOS indicated that, in undertaking the related reviews, it had interacted with the Procurement Service and the Headquarters Committee on Contracts and with personnel involved. However, it had come to his attention that neither the Assistant Secretary-General for Central Support Services nor the Chief of the Procurement Service had been consulted by OIOS or even informed that an audit was taking place. Had OIOS, in fact, confined its interaction with the Procurement Service to junior and mid-level staff?

63. He would welcome further information concerning the status of the horizontal audit of procurement management conducted by OIOS. It was his understanding that, while there was a finalized draft report on the horizontal audit, OIOS did not plan to proceed with its issuance. If that was correct, OIOS should indicate whether it intended to share the draft report with the Committee and, if not, why not. He had been informed that the draft report was complimentary about the performance of the Procurement Service and wondered if it had been withheld for that reason.

64. OIOS stated that, in addition to the 27 cases involving the eight staff members placed on administrative leave, some 200 cases of alleged procurement irregularities were currently being investigated. It should clarify whether any of the individuals involved in those cases had been placed on administrative leave. The answers provided thus far were not satisfactory.

65. OIOS claimed that it had been aware of the delegation of procurement authority from the Department of Management to the Department of Peacekeeping Operations when it had conducted its audit. If that was the case, it should explain why that crucial information had not been reflected in the corresponding report and why documentation relating to the issue had not been obtained until after the report's issuance, and even then only at the urging of the Assistant Secretary-General for Central Support Services.

66. OIOS had recommended that the Secretary-General should hold senior management and staff in both the Department of Peacekeeping Operations and the Department of Management accountable for lapses in internal controls and failure to establish a high level of ethical integrity. However, the reality was that senior managers in the Department of Peacekeeping Operations had not been held accountable in the same manner as their counterparts in the Office of Central Support Services, even though most of the problems highlighted in the audit report related to field operations for which the Department was responsible.

67. OIOS acknowledged in its responses that it expected managers' comments on its draft reports to be channelled through the relevant Under-Secretary-General. Indeed, the Assistant Secretary-General for Central Support Services had forwarded input directly to OIOS but had been informed by the Under-Secretary-General for Internal Oversight Services that she would consider only comments submitted by the Under-Secretary-General for Management. That raised serious doubts about the independence of OIOS, which should act on all relevant information. He asked what could be done to ensure that information was not suppressed and why there was no means by which managers could contact OIOS directly.

68. Lastly, it had come to his attention that one of the eight staff members placed on administrative leave, a procurement officer, had been misidentified. In its

audit report on procurement, OIOS alleged that while at Headquarters, the officer had been involved in the award of five contracts to the vendor TCII, and in an improper bidding exercise. However, the officer had been posted abroad at the time that the contracts had been awarded, and the bidding had taken place three months prior to his appointment. OIOS had not sought to correct those errors, which raised serious doubts as to the quality and credibility of the report in question.

69. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) said that he would need to consult with other Secretariat officials before he could respond fully to the questions raised. Concerning the Deloitte report, the actions taken to implement the recommendations deemed to require immediate attention were within the authority of the Secretary-General. Clearly, when the Secretariat had before it a report identifying internal control weaknesses, it was appropriate for it to take corrective action. Deloitte had not been asked to produce an audit report, but rather a consultancy study of internal controls in the Procurement Service. Its report was not the only input being used in the preparation of the Secretary-General's comprehensive report on procurement reform.

70. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) said that she would provide written responses to the questions addressed to OIOS. She noted that the procurement task force was independently reviewing her Office's audit findings in the context of its investigations.

71. **The Chairman** said that the Committee would revert to the matter at its next formal meeting.

Organization of work

72. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, noted with concern that the Committee had yet to adopt a single draft resolution. The Group wished to receive, in addition to the tentative programme of work for the current week, which had been distributed to delegations informally, a tentative programme of work for the remainder of the second part of the resumed session, with an indication of when those texts currently in first reading might be finalized and when the Committee might take action on them. She pointed out that, in order for the General Assembly to approve the budget estimates for the United Nations peacekeeping operations prior to the end of the current financial period on 30 June 2006, the Committee would need to adopt the corresponding draft resolutions by 28 June 2006, since the Secretariat would require at least 48 hours to prepare the relevant reports for consideration by the Assembly. Noting that the Committee would shortly take up the issue of the capital master plan, she asked whether there were any matters on which it would need to take decisions prior to the end of the resumed session.

73. **Mr. Reuter** (Executive Director of the Capital Master Plan Project) said that, in the third annual progress report on the implementation of the capital master plan (A/60/550 and Corr.1 and Corr.2 and Add.1), the General Assembly was requested, inter alia, to decide on a strategy for the implementation of the capital master plan and to approve the associated budget and the financing modalities. That last step was the most critical, since there would be a delay of one to two years between the approval of an appropriate financing mechanism and the completion by Member States' legislative bodies of the procedures necessary for the related funds to be made available to the Organization. In that connection, he noted with concern that construction cost escalation was increasing the estimate for the project by between 0.6 and 0.75 per cent per month.

The meeting rose at noon.